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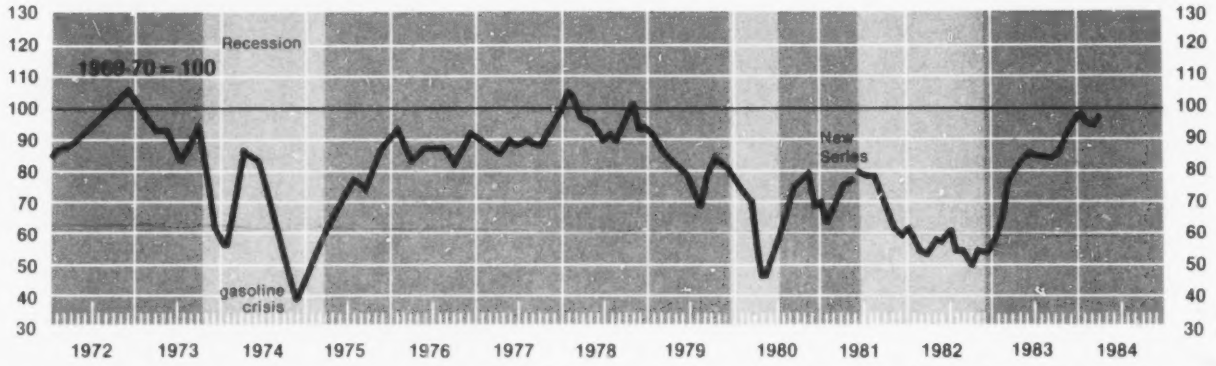
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

May, 1984



CONFIDENCE IMPROVES BUT BUYING PLANS ARE DOWN

The measure of consumer confidence increased in April after two consecutive months of decline. The current reading of the Board's Index (1969-1970 = 100) is 97.9, a gain of almost 3.5 points in April. Plans to buy declined, however.

Consumers are increasingly more comfortable with ongoing circumstances. In the latest probe, there was a rise in the proportion of those who feel that present business conditions are "good," and a slightly larger number than previously report that jobs are "plentiful."

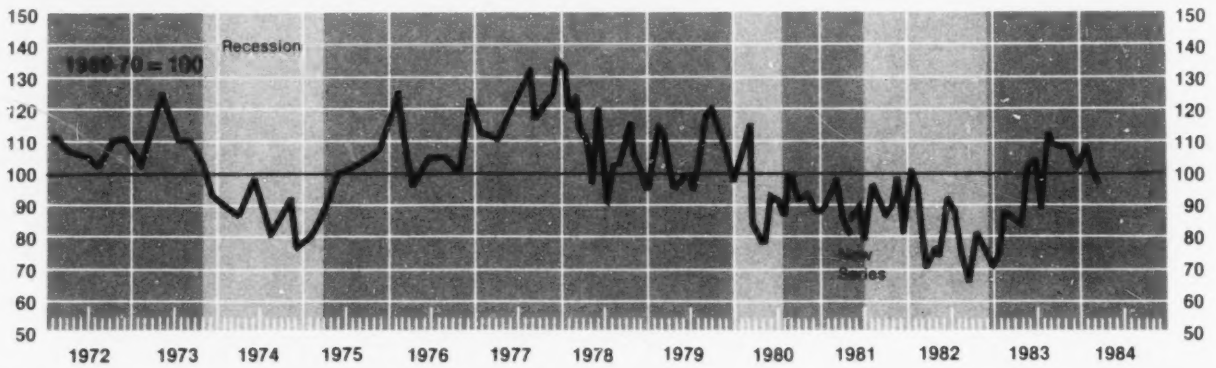
Consumers are also more optimistic in their expectations for the next six months. More now expect business to improve in the period ahead, and fewer persons express concern about employment prospects. Consumers are particularly optimistic in assessing their personal fortunes—30.4% now expect their incomes to increase during the coming months, up sharply from 26.1% a month earlier.

Buying plans, however, have edged off. Intentions to purchase an automobile dropped to 8.1% of all those surveyed, down from a prior reading of 8.8 percent. The level of intentions to buy a car is presently lower than it has been in the past eight months. Interest in homes, too, has edged down for the second month in a row. Plans to buy a home were indicated by 3.0% of all respondents. The previous month the ratio was 3.3%, and in the month before that, 3.8 percent. Intentions to buy a major appliance have edged off marginally from 27.4% to 26.8% of all respondents.

Despite some softening in plans to buy, the recent message from the consumer strongly indicates that the economic recovery will continue to be quite vigorous in the immediate months ahead. Consumer expectations—which have an impressive record of foreshadowing economic events—suggest that economic growth in the second quarter will edge off from the disconcertingly strong initial three months, but that the growth rate will still be quite substantial.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1983 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1984 Jan.	Feb.	Mar.(r)	Apr.(p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	80.3	84.0	84.9	84.7	84.6	84.8	85.7	90.2	95.1	98.4	95.7	94.5	97.9
Present Situation	23.9	28.2	32.8	37.2	39.3	43.1	44.0	51.1	57.9	63.2	67.2	69.0	73.1
Expectations	117.9	121.2	119.6	116.3	114.8	112.6	113.5	116.2	119.9	121.9	114.6	111.5	114.4
Buying Plans Index	86.0	85.2	103.6	100.5	89.9	113.5	109.9	108.9	108.5	101.4	108.0	103.9	96.8
Appraisal of Present Situation: Percent													
Business Conditions													
Good	11.4	13.5	15.0	15.9	16.5	18.3	19.4	20.2	23.9	24.7	25.5	25.4	26.9
Bad	44.7	38.7	36.9	32.2	33.5	31.0	30.8	27.5	23.9	21.8	23.0	20.4	20.0
Normal	43.9	47.8	48.1	50.9	50.0	50.7	49.8	52.3	52.2	53.5	51.5	54.2	53.1
Employment													
Jobs plentiful	4.9	4.6	5.9	6.8	7.4	7.7	7.4	9.5	9.8	11.4	14.0	13.1	15.5
Jobs not so plentiful	41.7	44.1	45.5	45.9	48.6	48.5	49.3	50.4	51.2	50.4	49.6	51.9	48.5
Jobs hard to get	53.4	51.3	48.6	47.3	44.0	43.8	43.3	40.1	39.0	38.2	36.4	35.0	36.0
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	38.9	39.1	37.6	36.6	32.7	30.1	30.1	31.2	32.8	33.1	28.7	26.4	27.4
Worse	6.2	4.8	5.3	6.6	6.6	6.8	6.7	6.1	5.2	3.9	5.8	6.1	5.7
Same	54.9	56.1	57.1	56.8	60.7	63.1	63.2	62.7	62.0	63.0	65.5	67.5	66.9
Employment													
More jobs	31.0	30.8	29.7	28.9	26.6	24.5	24.8	25.6	25.9	25.7	21.4	20.6	20.0
Fewer jobs	11.9	10.1	11.0	13.0	12.1	13.1	13.8	11.9	10.6	10.6	11.9	12.1	11.3
Same	57.1	59.1	59.3	58.1	61.3	62.4	61.4	62.5	63.5	63.7	66.7	67.3	68.7
Income													
Increase	26.6	25.9	26.0	28.7	26.0	28.3	31.1	28.3	31.1	32.4	27.3	26.1	30.4
Decrease	9.6	9.6	8.9	8.9	8.8	8.6	7.6	7.8	7.7	7.3	6.3	7.2	6.9
Same	63.8	64.5	65.1	62.4	65.2	63.1	61.3	63.9	61.2	60.3	66.4	66.7	62.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.1	6.0	8.4	7.8	7.2	9.1	9.0	9.3	8.7	8.4	8.8	8.8	8.1
New	3.4	3.6	4.7	4.1	3.4	5.1	5.3	5.1	4.9	5.1	4.9	4.7	3.8
Used	2.4	2.1	2.2	2.7	2.4	3.6	3.3	3.4	3.3	2.5	3.4	3.0	2.8
Uncertain	0.3	0.3	1.5	1.0	1.4	0.4	0.4	0.8	0.5	0.8	0.5	1.1	1.5
Home													
Yes	3.1	2.8	3.4	3.3	3.0	3.8	3.6	3.6	3.6	3.4	3.8	3.3	3.0
New	0.6	0.8	1.0	1.1	0.8	1.3	1.0	1.2	1.2	1.0	0.9	0.8	0.9
Lived in	1.8	1.3	1.7	1.3	1.5	1.7	1.9	1.6	1.5	1.4	2.0	1.6	1.4
Uncertain	0.7	0.7	0.7	0.9	0.7	0.8	0.7	0.8	0.9	1.0	0.9	0.9	0.7
Major appliances													
Total plans	23.4	25.5	27.7	29.2	23.8	30.6	29.2	26.5	29.8	26.7	27.3	27.4	26.8
Refrigerator	3.9	3.8	3.3	4.7	3.4	4.1	3.4	3.5	3.7	3.2	3.6	3.6	3.7
Washing machine	2.9	3.2	4.3	3.5	2.7	4.0	3.3	3.6	3.6	3.4	4.0	3.8	3.2
Black and white TV	0.5	1.0	0.7	0.7	0.9	1.1	1.0	0.7	1.2	0.9	0.8	0.9	1.1
Color TV	6.1	7.4	8.1	7.6	6.1	8.2	8.0	7.5	8.2	7.8	7.0	7.5	7.6
Vacuum Cleaner	4.2	3.9	4.6	5.0	4.1	5.2	5.6	4.4	5.2	4.1	4.8	4.1	4.7
Range	2.4	2.2	2.6	2.8	2.3	2.6	2.6	2.4	2.7	2.6	2.6	2.9	2.4
Clothes dryer	2.3	2.8	2.8	3.4	2.8	3.1	3.1	2.7	3.3	2.8	2.9	2.6	2.6
Air conditioner	1.1	1.2	1.3	1.5	1.5	2.3	2.2	1.7	1.9	1.9	1.6	2.0	1.5
Carpet	6.7	6.9	7.3	6.7	6.9	8.2	7.1	8.1	7.4	6.5	7.3	7.2	5.9
Vacation Intended Within Six Months: Percent													
Vacation Intended	43.4		48.1		47.2		49.8		48.5		45.8		46.5
Destination													
Home state	8.4		9.2		9.9		10.5		10.3		8.8		8.4
Other state	30.9		34.2		32.8		33.5		33.4		32.0		32.7
Foreign country	5.7		6.6		6.2		7.0		6.5		6.2		7.7
Means of Travel													
Automobile	28.0		32.5		31.5		31.3		30.4		29.9		29.3
Airplane	15.2		17.1		15.5		17.1		17.9		15.4		18.6
Other	3.2		4.3		3.6		4.1		3.6		3.5		4.0

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request.

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.